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Synopsis for Ph.D. Registration

on

A Study of Retail Investors Behaviour Towards Equity Investment in Stock Market - A Case Study of Ranchi District.

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INTRODUCTION

To invest is to allocate money in the expectation of some return in the future. Investment is an essential part of wealth-creation, which helps you beat inflation to fulfil your financial goals and also stabilise your financial future. Instead of letting money lie idle in your bank accounts, you can invest in different avenues like stocks, equities, mutual funds, fixed deposit, or more. Investment decisions are made by investors and investment managers. Individuals and institutions make investments for a variety of reasons such as meeting shortages in income, earning return, saving up for retirement, repayment of loan, acquiring an asset in future etc. Investors commonly perform investment analysis by making use of fundamental analysis, technical analysis and gut feel.

Investing is the act of allocating money or resources with the expectation of generating an income or profit. This typically involves purchasing assets that are anticipated to appreciate in value over time or to produce income through dividends, interest, or rent. The primary goal of investing is to build wealth and achieve financial goals by putting money to work to potentially earn more money in the future.

TYPES OF INVESTMENTS:

1. **Stocks**: Shares of ownership in a company, offering potential for high returns through capital gains and dividends.
2. **Bonds**: Loans to governments or corporations that pay periodic interest and return the principal at maturity, generally considered lower risk than stocks.
3. **Real Estate**: Physical property investments or real estate investment trusts (REITs), which can provide rental income and capital appreciation.
4. **Mutual Funds and ETFs**: Pooled funds from multiple investors used to invest in a diversified portfolio of assets, offering professional management and diversification.
5. **Commodities**: Physical goods like gold, silver, oil, or agricultural products, often used as a hedge against inflation.

BEHAVIOURAL FINANCE

Behavioural finance is a field of study that combines psychology and economics to understand how people make financial decisions. It explores how emotions, cognitive biases, and social

factors influence individual and group behaviours in financial markets, often leading to irrational or suboptimal investment decisions.[1]

Key Concepts in Behavioural Finance:

- **Emotional influences:** Emotions can also play a significant role in financial decision-making. Fear and greed are two of the emotions that have a particularly strong impact. Fear of loss can cause investors to sell off assets too soon, while greed can lead them to take on too much risk in the hopes of earning higher returns.
- **Cognitive biases:** It can have a significant impact on financial decision-making. For example, the confirmation bias can cause people to get information that confirms their existing beliefs and ignore information that contradicts them. The availability bias can lead people to overestimate the likelihood of rare events based on vivid examples they have seen in the media.
- **Herding behaviour:** People often engage in herding behaviour, meaning they follow the crowd and make decisions based on what others are doing rather than on their own analysis of the situation. This can be seen in market bubbles, where investors pile into a particular asset class because everyone else is doing it, rather than because they have done their own due diligence.
- **Anchoring:** This occurs when people rely on an initial piece of information while making a decision. For example, if an investor is given a target price for a stock, they may be more likely to hold onto that stock even if new information emerges that suggests it is no longer a good investment.

Applications

Here are some examples of the applications of behavioural finance:

- **Retirement planning:** Behavioural finance can be particularly useful for this purpose. People often struggle to save enough for retirement, in part because they underestimate how much they will need and how long they will live. It can help individuals set more realistic goals and make better decisions about how to save and invest for retirement

[1] Behavioral Finance: Biases, Emotions and Financial Behavior https://www.investopedia.com/terms/b/behavioralfinance.asp#toc-what-is-behavioral-finance

- **Financial advising:** Financial advisors can use insights from behavioural finance to help their clients make better financial decisions. By understanding the biases and emotional influences that can impact decision-making, advisors can help clients avoid common pitfalls and make more informed choices.
- **Corporate finance:** Behavioural finance can also be useful in the realm of corporate finance. For example, companies can use insights from behavioural finance to design better incentive systems for their employees, taking into account the ways in which people respond to different types of rewards and punishments.
- **Investing:** Investors can also benefit from the insights of behavioural finance. By understanding their own biases and emotional influences, investors can make more informed decisions about what to buy and sell, and when. This can help them avoid common mistakes such as buying high and selling low.
- **Public policy:** Finally, policymakers can use insights from behavioural finance to design better policies that take into account the ways in which people actually behave. For example, policies that are designed to encourage people to save more for retirement may be more effective if they take into account the biases and emotional influences that impact decision-making.

Equity investment

Equity investment involves buying shares of ownership in a company. When you invest in equity, you are essentially buying a portion of a company and becoming a shareholder. This type of investment can offer substantial returns, but it also comes with higher risks compared to fixed-income investments like bonds.

In others words it can be explaining equity investment is money that is invested in a company by purchasing shares of that company in the stock market. These shares are typically traded on a stock exchange.[2]

Types of equity investment

1. **Common Stock**: Provides voting rights and potential dividends. Common shareholders are last in line to claim assets in the event of liquidation.

[2] Equity investment (https://www.paisabazaar.com/mutual-funds/equity-investment/)

2. **Preferred Stock**: Typically, does not provide voting rights but offers fixed dividends and priority over common stock in the event of liquidation.

3. **Growth Stocks**: Shares in companies expected to grow at an above-average rate. These companies usually reinvest earnings to fuel growth rather than pay dividends.

4. **Value Stocks**: Shares of companies considered undervalued relative to their fundamentals. Investors expect these stocks to eventually increase in value.

5. **Dividend Stocks**: Shares in companies that regularly distribute dividends. These can provide steady income in addition to potential stock price appreciation.

Objective of Investment

If you thought investment simply meant saving money, then that may not be accurate. Investment refers to putting your money in assets that appreciate or are capable of generating returns. It is an activity done to grow your money and not merely save it. For instance, buying stocks that give you dividends or investing in a property whose value will increase.

Today, you have several types of investments, like stocks, bonds, life insurance, exchange-traded funds, and real estate, to name a few. Each of these investment options comes with its own objectives. While some provide you security, others enable you to yield returns.

Understanding these elements of investment and weighing them against your purpose of investment can help you choose the right mix of assets to suit your unique needs.

Here are some common Objectives of Investment:

1. Wealth Accumulation:

- **Goal**: Grow the value of the initial capital over time.
- **Strategy**: Invest in growth-oriented assets like stocks, real estate, or mutual funds that have the potential for high returns.

2. Income Generation:

- **Goal**: Generate a steady stream of income.
- **Strategy**: Invest in income-producing assets like dividend-paying stocks, bonds, rental properties, or annuities.

3. Capital Preservation:

- **Goal**: Protect the initial investment from loss.

- **Strategy**: Invest in low-risk assets such as high-quality bonds, money market funds, or certificates of deposit (CDs).

4. Inflation Protection:

- **Goal**: Ensure that the investment returns outpace inflation to maintain the purchasing power of the capital.
- **Strategy**: Invest in assets that typically perform well during inflationary periods, such as real estate, commodities, and inflation-protected securities (TIPS).

5. Tax Efficiency:

- **Goal**: Minimize the impact of taxes on investment returns.
- **Strategy**: Use tax-advantaged accounts like IRAs or 401(k)s, invest in tax-efficient funds, or employ tax-loss harvesting strategies.

6. Diversification:

- **Goal**: Spread risk across different types of investments to reduce the impact of any single investment's poor performance.
- **Strategy**: Build a diversified portfolio that includes a mix of asset classes, sectors, and geographic regions.

7. Funding Specific Goals:

- **Retirement**: Accumulate sufficient funds to support a comfortable lifestyle after retirement.
- **Education**: Save for future educational expenses for oneself or one's children.
- **Major Purchases**: Save for significant expenses such as buying a home, starting a business, or taking a major trip.

8. Risk Management:

- **Goal**: Manage and mitigate the risks associated with investments.
- **Strategy**: Employ a mix of risk management techniques, such as diversification, asset allocation, and hedging.

Behavioural finance and investment decision

1. **Self-awareness:** Understanding one's own behavioural biases is the first step to becoming a more rational investor. By recognizing how emotions and biases can impact decision-making, individuals can take steps to mitigate these influences.

2. **Diversification:** Behavioural finance emphasizes the importance of diversifying one's portfolio to reduce risk. Diversification can help mitigate the impact of impulsive decisions driven by emotions or cognitive biases.

3. **Long-term perspective:** Behavioural finance encourages investors to take a long-term view of their investments. By focusing on the bigger picture and avoiding knee-jerk reactions to market fluctuations, investors can potentially achieve more favourable outcomes.

4. **Education and professional guidance:** Financial advisors can play a crucial role in helping investors make rational decisions. They can provide guidance, act as a counterbalance to emotional decision-making, and keep clients informed about the potential pitfalls of behavioral biases.

5. **Regulation and policy:** Behavioral finance research can also inform regulatory policies designed to protect investors. For example, policies that promote transparency and disclosure can help counteract the effects of misleading information or overconfidence.[3]

Retail Investment and impact of behaviour

Retail investment, which involves individual investors making decisions to buy or sell financial assets, can have significant impacts on investor behaviour and market dynamics. Here are several ways retail investment influences behaviour:

1. *Market Volatility and Sentiment*

- **Herd Behaviour**: Retail investors often follow the actions of others, leading to trends where many investors buy or sell based on perceived market sentiment rather than fundamental analysis.

[3]Behavioural finance and investment decision
https://www.finideas.com/the-role-of-behavioral-finance-in-investment-decision-making/

- **Impact on Prices**: Collective buying or selling by retail investors can influence asset prices, contributing to market volatility.

2. ***Emotional Influences***

- **Fear and Greed**: Emotional responses like fear of missing out (FOMO) or fear of loss can drive retail investors' decisions, leading to irrational buying or selling.
- **Overreaction**: Retail investors may overreact to news or market movements, causing exaggerated price swings.

3. ***Behavioural Biases***

- **Cognitive Biases**: Biases such as anchoring (fixating on certain information), confirmation bias (seeking information that confirms existing beliefs), and loss aversion (fearing losses more than gains) can impact decision-making.
- **Disposition Effect**: Retail investors tend to sell winning investments too early and hold onto losing investments too long, influenced by the emotional pain of realizing losses.

4. ***Trading Activity***

- **Churn**: High-frequency trading or excessive trading driven by retail investors seeking quick profits can increase transaction costs and tax liabilities.
- **Short-Term Focus**: Retail investors may prioritize short-term gains over long-term investment strategies, affecting portfolio performance and risk management.

5. ***Information Flow and Accessibility***

- **Access to Information**: Retail investors now have access to real-time market data, research reports, and social media discussions, influencing their investment decisions.
- **Misinformation**: Spread of inaccurate or biased information through online forums and social media can impact investor perceptions and behaviour.

6. ***Market Efficiency and Liquidity***

- **Efficiency**: Retail investors contribute to market efficiency by reacting to new information and adjusting prices accordingly.
- **Liquidity**: Their participation enhances market liquidity, allowing for easier buying and selling of assets.

7. *Regulatory and Institutional Responses*

- **Regulation**: Regulators monitor retail investment activity to ensure fairness, transparency, and investor protection.
- **Institutional Responses**: Institutional investors and market makers may adjust strategies based on retail investor behavior, impacting market structure and trading patterns.

8. *Long-Term Investing Trends*

- **Shifts in Preferences**: Changes in retail investor preferences towards sustainable investing, impact investing, or specific sectors can influence capital flows and market dynamics.
- **Democratization of Investing**: Retail investment platforms and apps have democratized access to financial markets, empowering individual investors but also introducing new dynamics and challenges.

Ranchi District at a Glance

Jharkhand ("The land of forest") is a state in eastern India, created on 15 November 2000, from what was previously the southern half of Bihar. The state shares its border with the states of Bihar to the north, Uttar Pradesh to the northwest, Chhattisgarh to the west, Odisha to the south and West Bengal to the east. It has an area of 79,714 km² (30,778 sq mi). It is the 15th largest state by area, and the 14th largest by population. Hindi is the official language of the state.The city of Ranchi is its capital and Dumka its sub capital. The state is known for its waterfalls, hills and holy places: Baidyanath Dham, Parasnath and Rajrappa are major religious sites.

Jharkhand, one of India's newest states, was carved out of the southern portion of Bihar in 2000. Statehood was the culmination of a long struggle carried on primarily by the Adivasis, or Scheduled Tribes (an official term applied primarily to indigenous communities that fall outside the predominant Indian caste hierarchy). Hindi is the official language of the state. The city of Ranchi is its capital and Dumka its sub capital. The state is known for its waterfalls, hills and holy places: Baidyanath Dham, Parasnath and Rajrappa are major religious sites, ultimately precipitating the creation of a new state.[4]

[4] Ranchi district at a glance (https://www.jharkhand.gov.in/)

Ranchi District

Ranchi, Capital of Jharkhand is divided into Ranchi and Bundu subdivisions and each subdivision is further divided into blocks, panchayats and villages. It consists of 18 blocks and 305 panchayats. Under Ranchi Sub Division, there are 14 blocks and Bundu Sub Division consists of 4 blocks. Ranchi, in its modern form, is the capital city of the Indian state of Jharkhand. The city has a moderate climate and was the summer capital of Bihar until Jharkhand was separated in the year 2000. It is popularly known as a "City of Water Falls".[5]

Geographical view of Ranchi

Ranchi lies at 23°22′N 85°20′E near the Tropic of Cancer. The city covers an area of 175 km^2 (68 sq mi)[1] and its average elevation is 651 m above sea level. Ranchi is located in the southern part of the Chota Nagpur plateau, which is the eastern section of the Deccan plateau.

Ranchi has a hilly topography and its dense tropical forests a combination that produces a relatively moderate climate compared to the rest of the state. However, due to the uncontrolled deforestation and development of the city, the average temperature has increased.

Educational Hub and Head offices in Ranchi

Ranchi is a popular educational destination for students of Bihar, Jharkhand and some parts of West Bengal as well. Many students come here for their senior secondary education, and it also has some prestigious institutes like **BIT Mesra, IIM, NIFFT, NUSRL, CIP, RIMS** etc. It also boasts of the head offices of some crucial government organisations like **HEC, CCL** and **SAIL.** It is also known for quality sports infrastructure as there are plenty of international level stadiums for different kind of sports.

The city is loaded with tourist destinations if you are a nature buff. There are multiple waterfalls, hills and forests within a range of 70-100 km from the city.

MINERAL RESOURCES OF JHARKHAND

Jharkhand state enjoys a strong position on the mineral map of the country. No region in the world is gifted with such a vast mineralization in such a close vicinity as is there in Jharkhand.

[5] https://ranchi.nic.in/about-district/

The state has potential deposits of energy, ferrous, non-ferrous, fertilizer, industrial, refractory, atomic, strategic, precious and semi-precious groups of minerals.

Presently Jharkhand state is annually producing about 160 million tonnes of various types of minerals worth Rs 15,000 crore and generating mineral revenue to the tune of about Rs 3,500 crore.

The deposits of Coal, Iron ore, Bauxite, Uranium, Limestone, Dolomite, Pyroxenite , Quartz and Quartzite available in sufficient quantity.

The deposits of China Clay, Fireclay, Magnetite, Graphite, Kyanite, Feldspar, Mica & Decorative Stones are available in plenty.

The deposits of Andalusite, Manganese, Chromite, Beryl, Talc, Gold, Bentonite are available in small quantity.

Population of Ranchi in 2011 by Directorate of Census Operations in Jharkhand.

In 2011, Ranchi had population of 2,914,253 of which male and female were 1,494,937 and 1,419,316 respectively. In 2001 census, Ranchi had a population of 2,350,612 of which males were 1,218,830 and remaining 1,131,782 were females. Ranchi District population constituted 8.83 percent of total Maharashtra population. In 2001 census, this figure for Ranchi District was at 8.72 percent of Maharashtra population. There was change of 23.98 percent in the population compared to population as per 2001. In the previous census of India 2001, Ranchi District recorded increase of 28.58 percent to its population compared to 1991.

Ranchi Literacy Rate

Average literacy rate of Ranchi in 2011 were 76.06 compared to 76.06 of 2001. If things are looked out at gender wise, male and female literacy were 84.26 and 67.44 respectively. For 2001 census, same figures stood at 78.18 and 54.27 in Ranchi District. Total literate in Ranchi District were 1,911,433 of which male and female were 1,085,244 and 826,189 respectively. In 2001, Ranchi District had 1,308,516 in its district.

Ranchi Sex Ratio

With regards to Sex Ratio in Ranchi, it stood at 949 per 1000 male compared to 2001 census figure of 929. The average national sex ratio in India is 940 as per latest reports of Census 2011

Directorate. In 2011 census, child sex ratio is 938 girls per 1000 boys compared to figure of 960 girls per 1000 boys of 2001 census data.[6]

Review of Literature

Rakesh (2014) conducted a study on behavioural finance and its applicability to Indian Investors. This study tested the applicability of behavioral finance theories in Indian investors and examined the concept of behavioural finance and various theories associated with it, and provided investors' loss-averse nature. The study sample includes 150 individual investors, and the hypothesis was tested using chi-square analysis. The findings of the study indicates that loss and gain of stocks in the market results in a significant change in the behaviour of investors. Similarly, investors' perception significantly associated with the variation in the stock market index which reveals that anchoring theory is applicable in case of Indian investors. [7]

Park and Sohn (2013) summarised the latest research in behavioural finance. They focused on the recent literature on market anomalies, investor behaviour and behavioural corporate finance. They emphasized confirmation from real investments and specific evidence or examples from the Korean financial market. This study shows the statistics of behavioural finance notions explored in the previous studies and articles published in the behavioural finance area.[8]

Alghalith et al. (2012) made a study to test the dominant theories and assumptions in behavioural finance with S&P 500 index. In this study they tested risk aversion assumption as well as examined the dominant theory which explains optimal portfolio depends on risk preferences. Further more they proposed an alternative model to test prospect theory. The results indicate that investors are risk-takers, that a change in the sign of preferences does not necessarily imply a change in the sign of wealth/return, and that the optimal portfolio is independent of preferences.[9]

[6] https://www.census2011.co.in/census/district/113-ranchi.html#google_vignette

[7] Rakesh, H. M. (2014). Behavioral finance testing: Applicability on Indian investors. Indian Journal of Management Science, 4(1), 39.

[8] Park, H., & Sohn, W. (2013). Behavioral finance: A survey of the literature and recent development. Seoul Journal of Business.

[9] Alghalith, M., Floros, C., & Dukharan, M. (2012). Testing dominanttheories and assumptions in behavioral finance. The Journal of Risk Finance, 13(3), 262–268. https://doi.org/10.1108/15265941211229262

Howard (2012) conducted a study to examine the contributions of behavioural finance in cognitive psychology and neuroscience to decision making. In this study, the researcher relied on a five-paradigm model to evaluate the role of cognitive psychology and neuroscience to understanding financial decision making. This study evidenced that in the case of financial decision-making, the shift from one point of knowledge enhancement to another is not smooth and none of these models can be consider as dominant. The researcher suggests that if people want to make meaningful progress in understanding and improving financial decision-making, they must integrate these distinct viewpoints. [10]

Jahanzeb (2012) conducted a conceptual study on the implication of behavioural finance in investment decision-making Process. This study emphasized the effects of interfaces between investors and managers in thefinancial and capital markets. They observed that to construct a significant model of the behaviour of investors in financial markets, it is indispensable to incorporate concepts from psychology, sociology and financial economics.[11]

Razek (2011) conducted a study to present an overview of behavioural finance as well as the foundations and building blocks of behavioural finance.

The researcher relates the traditional mainstream finance discipline with the behavioural finance field. In addition, this study examined the behavioural life cycle model, which is based on the traditional life cycle model. This study intends to highlight that behavioural finance and traditional finance complement each other, resulting in modified models with better predictive power, which gives a better understanding of financial decisions. [12]

Bighiu (2010) examined Investor Psyche Driving Market Performance, a behavioural finance viewpoint. This paper summarises research findings in the behavioural finance area, including herding behaviour, idea contagion, risk aversion, and investor sentiment. The study supports the use of empirical methods to better understand investor behaviour and biases and the implications of irrational decisions on market performance. According to this research, the

[10] Howard, J. A. (2012). Behavioral finance: contributions of cognitive psychology and neuroscience to decision making. Journal of Organizational Psychology, 12(2), 52-70.

[11] Jahanzeb, A., & . S.-R. (2012). Implication of Behavioral Finance in Investment Decision-making Process. Information Management and Business Review, 4(10), 532–536. https://doi.org/10.22610/imbr. v4i10.1009.

[12] Razek, Y. H. A. (2011). An Overview of Behavioral Finance and Revisiting the Behavioral Life Cycle Hypothesis. IUP Journal of Behavioral Finance, 8(3).

discrepancy between rational and behavioural approaches can be bridged by providing financial models incorporating the human aspect. [13]

SIGNIFICANCE OF THE STUDY

The study on retail investor behavior towards equity investment in the stock market in Ranchi district is significant for several reasons. It offers crucial insights into how demographic factors such as age, gender, income level, and education level impact investment decisions and patterns. By understanding these influences, financial advisors and policymakers can tailor their strategies to better meet diverse investor needs, enhancing overall investment outcomes and satisfaction.

Additionally, the research will highlight the role of market experience in shaping investment behavior, potentially leading to the development of targeted educational programs that improve investors' market knowledge and decision-making skills. Furthermore, the study's identification and categorization of key demographic factors affecting investment behavior will support the creation of personalized and effective investment products and services. This tailored approach aims to better align investment options with investor needs, promoting financial inclusion and engagement.

The actionable recommendations from the study will help financial advisors and policymakers develop strategies that address the diverse profiles and experiences of investors, ultimately contributing to a more efficient and inclusive financial ecosystem.

OBJECTIVE OF THE STUDY

1. To study the relationship between demographic factors like age, income level, gender, education level and investment decision in Ranchi district.

2. To study the relationship between period of experience in the stock market and investment pattern in Ranchi district.

3. To identify and categorize the most significant demographic factors that affect investment decisions and patterns in Ranchi district.

4. To investigate how demographic variables like age, gender, income level, and education level influence the pattern of investment among investors in Ranchi district.

[13] Bighiu, R. (2010). Behavioral Finance: Is Investor Psyche Driving Market Performance? SSRN Electronic Journal, VII (4). https://doi.org/ 10.2139/ssrn.1598289

Hypothesis of the study

To formulate a hypothesis for a study, we need to clearly state the research question, define the variables involved, and then develop both a null hypothesis (H0) and an alternative hypothesis (H1).

HO1- There is no significant influence of demographic factors like age, gender, income level, education level on investment decision in Ranchi district.

H11- There is significant influence of demographic factors like age, gender, income level, education level on investment decision in Ranchi district.

HO2- Period of market experience has no significant influence on investment pattern in Ranchi district.

H12- Period of market experience has significant influence on investment pattern in Ranchi district.

Research Methodology

The present study is an analytical study of retail investors behaviour towards equity investment on the stock market. This is a field survey of descriptive nature. This is an empirical survey. Therefore, the researcher has adopted a model based primary and secondary data.

Primary data

The researcher has selected primary survey for the purpose of collecting primary data which forms the core part of this study. The primary data has been collected with the help of a structured questionnaire specifically designed for this purpose. The researcher has prepared questions, sufficiently enough to cover details regarding the investors demographics like age, income level, gender, education level, investment decision and socio-economical culture. Primary data has been collected from Ranchi District by use of –

- Questionnaire
- Personal interviews
- Observation and personal visits

Primary data collection will help to collect first-hand information and data which cannot be obtained from secondary source

Secondary data

The secondary data has been collected from sources already existing like –

• Research Journals

• Newspapers

• Periodicals

• Magazines

• Government Publications

• Stock Exchange Publications

• Websites

Statistical method used – The collected data has been properly classified and analysed with the help of statistical techniques such as –

• Regression Analysis – To establish a relation between two or more variables.

• Correlation- To establish a relation between two or more variables for the data availed.

• Graphs – For graphical presentation of data.

• Tabulation – To tabulate data in tabular form for analysis.

• Tools for hypothesis testing such as: anova-test, t-test, z test, f-test, etc. if necessary.

Sample Design –

The present study is an empirical survey of descriptive type. Therefore, the researcher has used research methodology to suit an empirical survey. The method of strategic random sample selected by convenience is used.

Due to time and cost constraint, the research would be confined to **Ranchi District** only. The total population consists of retail investors having active demat accounts, of which the total sample size consisting of 500 retail investors investing in equities are randomly chosen from the list of investors from stock brokers and investors forums.

Research Gap

From the review of previous research studies on behavioural finance of investors, the researcher came to know that only few studies have been done in this area in **Ranchi District**. Furthermore, the studies which have been conducted in **Ranchi district** context have addressed only few behavioural biases. Therefore, to bridge these gaps researcher will attempt to study effect of various behavioural factors on investment decision making process of individual investors.

Some potential research gaps had not been touched in the field of retail investor behaviour towards equity investment in Ranchi District:

- Under-researched effects of technological advancements such as algorithmic trading, robo - advisors, and mobile trading apps on individual investor behaviour.
- Only financial fact has been considered
- Insufficient studies of stock market how it affects investment behaviour, risk preferences, and financial decision-making.
- Limited exploration of how psychological factors, such as overconfidence and herding behaviour, influence equity investment decisions.

Limitation of the Study

A study of retail investor behaviour towards equity investment in the stock market in ***Ranchi District*** may have several limitations, including:

- The study is confined to Ranchi District alone. Hence the findings may not be generalised for the other parts of the country.

- The study is confined to the retail equity investors alone. Institutional investors remain uncovered.

- Participants may not always provide accurate information about their investment behaviour or preferences, leading to biased results.

- If the response rate is low or if the certain types of investors are more likely to participate, it could introduce biases into the study's findings.

- Only those investors who deal in capital markets are considered.

Tentative Chapterisation

Chapter 1: Introduction and review of literature

Chapter 2: Stock Market and Equity Investment – A detail study

Chapter 3: Behavioural Finance and Equity Investment

Chapter4: Investment Behavior of Retail Investors.

Chapter5: Profile of Ranchi District and Investment pattern of Ranchi District.

Chapter6: Hypothesis testing, conclusion Finding and Suggestion

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